



**KOREA NATIONAL INSURANCE CORPORATION**

Korean / English

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## Revolutionary Anecdote

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**Korea on  
Screen**





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About us

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## Korea National Insurance Corporation

1947 - 2017

Korea National Insurance Corporation (KNIC), founded in 1947 is a recognized insurer of the Democratic People's Republic of Korea with 70 years' history of insurance business.

The Corporation, mainly carries on both life and non-life insurance business in the territory of the DPR Korea.

The Corporation, headquartered in Pyongyang, the capital city of the DPR Korea, involves about 10 provincial insurance branches and over 200 insurance branch offices at municipal, district and county levels thereunder across the country.

In addition to the insurance business, the Corporation conducts other business activities like information technology service, shipping and financial investment.

The Corporation carries out all its business operations under the guidance and supervision of the State Insurance Committee in compliance with the Insurance Law and the relevant regulations of the State.

In order to meet the growing demand for insurance coverage in proportion to the ever-revitalizing national economy, KNIC tries its best to have its underwriting scopes more diversified and its undertakings more upgraded on a sophisticated IT basis.

On 10<sup>th</sup> July 2017 the Corporation greeted its 70<sup>th</sup> anniversary of foundation.

And a conference was held in KNIC to commemorate the 70<sup>th</sup> anniversary at which the executives, staffs together with the representatives from branch offices in each province were in attendance.

This was a great event in KNIC's 70-year-long history having reviewed its glorious path and outlined new strategic tasks for its development in the future.

As befits the practical condition where mighty foundations of a thriving nation are being laid down, KNIC shall be consistently committed to its responsibility and duty in protecting people's life and property and promoting the development of the national economy, as has it been in the past years.







## Financials

Financial Highlights

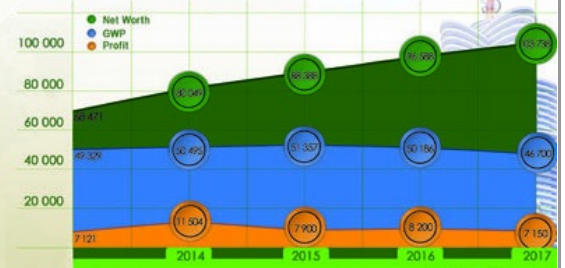
Financial Report

Accounting basis

Financial Highlight

1947 - 2017

Item	KPW m				
	2017	2016	2015	2014	2013
Gross Written Premium	46 700	50 186	51 357	50 495	49 329
Investment Revenues	4 173	4 669	4 465	4 260	4 197
Pre-State Payment Result	10 592	12 148	11 704	17 043	10 549
Profit for the year	7 150	8 200	7 900	11 504	7 121
Investment	82 236	80 099	75 805	70 325	60 421
Net Worth	103 738	96 588	88 388	80 049	68 471
Net Underwriting Provisions	41 965	44 804	47 296	46 759	47 943
Combined Ratio Non-life%	81.8%	93.2%	85.3%	76.5%	62.1%



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## Chairman's Message

The year 2017 was a year of heroic struggle and great victory, a year when we set up an indestructible milestone in the history of building a powerful socialist country with the spirit of self-reliance and self-development as the dynamic force.

Our service personnel and people built magnificent Ryomyong Street and the large-scale livestock farming base in the Sepho area, and completed the task for the first stage of the forest restoration campaign, thereby demonstrating the might of great army-people unity and the potential of the socialist independent economy.

Amid a vigorous struggle for the creation of the Mallima speed, new model units emerged one after another, and a large number of factories and enterprises fulfilled their quotas of the yearly national economic plan ahead of schedule and made a proud achievement of surpassing their peak-year levels.

Last year the Korea National Insurance Corporation made a great contribution to the stable development of the national economy and the improvement of people's living standard and achieved a net profit of KPW 7 149.9 million in its overall operation.

During the period under review the Corporation wrote gross premiums of KPW 46 700.3 million, down 6.95% from the preceding fiscal year, achieving the underwriting result of KPW 8 749.8 million in the insurance business.

The Corporation conducted the works with utmost responsibility and trust to pay in time the losses from unexpected drought in vanguard sectors, basic industries and agriculture which had been advancing vigorously to implement the five-year strategy for the national economic development put forward in the 7<sup>th</sup> congress of the Workers' Party of Korea.

The Corporation upgraded its operations to a more scientific and sophisticated IT basis by launching homepage "Skyline" while endeavoring to develop new insurance products as required by developing reality and achieved noteworthy progress.

In the period under review the Corporation achieved the gross income of KPW 4 173.4 million, down 10.62% from the preceding year in investment by establishing management and enterprise strategy for the revitalization of investment activities in finance, information technology, shipping, joint venture and cooperation and putting business on an IT and scientific footing in keeping with requirements of IT era, and recorded a KPW 3 575.0 million profits.

The year 2018 is a year of great significance which marks the 70<sup>th</sup> anniversary of the founding of our Republic and the third year of implementing the five-year strategy for national economic development when a breakthrough should be made in reenergizing the overall economic front.

Under the stirring environment where all economic sectors are developing rapidly by dint of science and technology and an upturn in improving the people's living standards and building an economic giant will be brought about with a maximum use of the existing foundation and all potentials of the self-supporting economy, the Corporation will credibly ensure a stable development of the national economy with more scientific and rational business strategy and achieve a rise in premium income by further improving its insurance service.

On behalf of Executive Committee of Management, on this occasion, I would sincerely like to extend my thanks to all staff within the Corporation who actively contributed to its business development during the period under review. I would also extend my thanks to overseas business partners and international insurance organizations for their unreserved cooperation with the KNIC, wishing them all further success in 2018.

Yours sincerely,

Hong Myong Ryong

Chairman of Executive Committee of Management

Korea National Insurance Corporation

홍명룡

## Executive Committee of Management

Executive Committee of Management (ECM) is the top managing body of Korea National Insurance Corporation.

It assumes the duty to examine and determine all such matters as business strategy, operational philosophy and accounting rules and to monitor implementation thereof.

It is also responsible for the overall operational business of KNIC.

The ECM consists of experienced and competent officers, who have been working with the Corporation for many years.



**Hong Myong Ryong**  
(Chairman of ECM)

As an expert in insurance and law, he has been working as Chairman since 2014.



**Ri Ryon**  
(Deputy-Chairman of ECM)

As an expert in insurance and law, he has been with the Corporation since 1983.



**Han Yong Gyu**  
(Deputy-Chairman of ECM)

As an expert in insurance and economics, he has been with the Corporation since 1988.



**Kim Chol Yong**  
(Member of ECM)

As an expert in finance, he has been working for the Corporation since 1999.



**Yun Jin**  
(Member of ECM)

As an expert in insurance and economics, he has been with the Corporation since 1994.





## Organizational Structure

The mission of Korea National Insurance Corporation (KNIC) is to provide life and non-life insurance covers to institutions, enterprises, cooperatives and individual citizens within the territory of the DPR Korea.

As befits its corporate mission, KNIC has the specific departments dealing with life and non-life insurance and other complementary divisions at its head office, as well as insurance branch offices at different levels across the country under it.

The major operational departments at the head office are as follows:

Property Insurance Department is in charge of non-life insurance classes, such as property, crop, livestock, engineering and motor applied from institutions, enterprises, cooperatives and individual citizens.

Marine Insurance Department handles such lines as marine hull, cargo and liability, aviation hull and liability applied from institutions, enterprises and cooperatives.

Life Insurance Department provides life and personal accident coverage applied from institutions, enterprises, cooperatives and individual citizens.

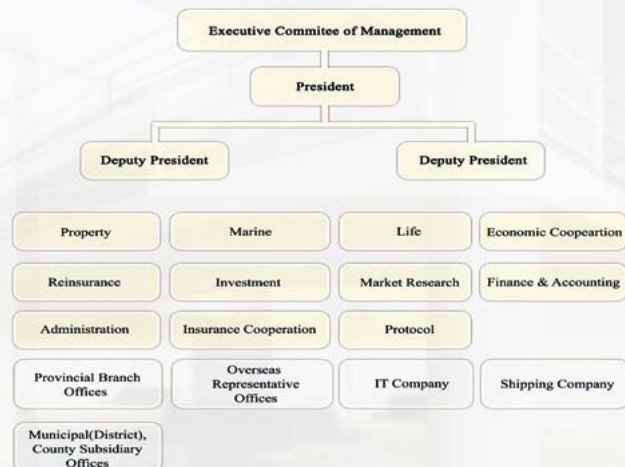
Economic Cooperation Insurance Department offers different classes of insurance to economic development zones including Rason Economic and Trade Zone and foreign invested enterprises (foreigners, foreigner's independent enterprises, joint ventures, representative offices, correspondent branch offices, embassies and international organizations).

Reinsurance Department organizes reinsurance protection for primary insurance accounts written by KNIC. It also writes various reinsurance businesses from (re)insurance companies abroad.

Investment Department conducts investment activities for financial securities and mining, and manages non-insurance enterprises like a shipping company.

Besides, there are other complementary divisions like Market Research, Insurance Cooperation, Finance & Accounting, Administration and Protocol, all of which are engaged in their respective functions.

KNIC, as a recognized insurer of the DPR Korea has about 10 provincial insurance branches and 200 insurance offices at municipal (district) and county levels under it, as well as representative offices overseas.



## Operational Review

### Underwriting Performance

KPW m

Gross Premiums Written	2017	2016	2015
Life	28 478	29 906	28 884
Property	3 992	4 548	7 104
Agriculture	3 535	4 561	4 631
Marine & Aviation	3 785	3 986	3 921
Engineering	3 841	4 069	3 697
Personal Accident	2 658	2 682	2 683
Others	411	434	438

Net Loss Ratio%	2017	2016	2015	Net Expense Ratio%	2017	2016	2015
Property	76.26	93.59	62.08	Property	19.12	21.66	16.81
Agriculture	32.38	18.44	74.36	Agriculture	20.68	17.38	21.86
Marine & Aviation	67.77	71.08	69.38	Marine & Aviation	15.29	16.63	14.93
Engineering	55.84	113.52	59.53	Engineering	19.54	20.78	18.66
Personal Accident	76.05	77.82	73.83	Personal Accident	20.07	17.69	19.47
Others	68.34	73.27	69.73	Others	18.32	18.28	18.24

Net Combined Ratio%	2017	2016	2015
Property	95.38	115.25	78.89
Agriculture	53.06	35.82	96.22
Marine & Aviation	83.06	87.71	84.31
Engineering	75.38	134.30	78.19
Personal Accident	96.12	95.51	93.30
Others	86.66	91.55	87.97

### Investment Operation

During the year under review, as the general economy of the country is being revitalized and the demand for fund from organs and enterprises is increasing, the Corporation directed much efforts to its investment business including loan, recording the net profits of KPW 3 575.0 million in the investment business.

The IT service company under the Corporation produced KPW 806.4 million of net profits by means of the development and the sale of software, e-mail service and other IT-related services for foreign and local clients.

Other investment activities including the shipping business made a net positive result of KPW 218.8 million.

The financial investments and the loan business recorded the profits of KPW 1 601.1 million in security trading and KPW 921.7 million respectively.

In 2018, the Corporation will continue to put greater efforts on the IT-related services, the shipping and the financial investments for higher incomes.

### Investment Performance

KPW m

Item	2017	2016	2015	2014	2013
Investment	82 236	80 099	75 805	70 325	60 421
Earnings	3 575	3 985	3 817	3 632	3 358





평양국제보험토론회  
PYONGYANG INTERNATIONAL  
INSURANCE SEMINAR  
7th - 9th June 2010



Themed as 《Marine Insurance & Reinsurance: the Challenges of the Time》, an international seminar took place in Pyongyang, the Capital of DPR Korea from 7th to 9th June 2010, under the co-auspices of Korea National Insurance Corporation (KNIC) and the Federation of Afro-Asian Insurers & Reinsurers (FAIR).

The seminar was held in accordance with the determination taken by the Federation of Afro-Asian Insurers & Reinsurers in its 21st Conference in Kuala Lumpur, Malaysia in October 2009.

Present at the Seminar were 111 delegates from home and abroad, including Mr. Ezzat Abdel-Bary, Secretary General of FAIR and those from 74 companies and institutions of 21 countries of Asia, Africa and Europe, representatives of diplomatic corps, economic and trade missions, and international organizations in DPR Korea, underwriters of KNIC and other persons concerned at home.

At the Seminar, prominent foreign and local underwriters and other personalities presented papers on the globally current insurance issues.

The forum provided a good platform to seek and share ways and means for the healing of the unstable insurance sector in the aftermath of global financial crisis.

[Talk list](#)



### Talk list

- |   |            |
|---|------------|
| 1. Marine Cargo Insurance Indian Market Experience:<br>Sanjiv Singh<br>Chief Manager, Marine Cargo Technical Department , The New India Assurance Company       | PPT<br>DOC |
| 2. Marine Cargo Claims in China<br>Henry Zhang<br>Director, FAIRICC SURVEY AND LOSS ADJUSTING CO LTD  | PPT<br>DOC |
| 3. Marine Cargo Insurance in DPR Korea<br>Kang Sun Il<br>Managing Director, Korea National Insurance Corporation  | PPT<br>DOC |
| 4. Marine Cargo Claims & Adjustment - An Overview<br>Capt.M.S.C.Bhandary<br>Director, J.B.Boda Surveyor PVT.Ltd   | PPT<br>DOC |
| 5. Cargo Insurance & Reinsurance-London's Position in a Global market<br>Giles Penfold<br>Director, Cooper Gay & Co. Ltd - Marine & Aerospace Division          | PPT<br>DOC |
| 6. London Cargo Market<br>Mark Jesson<br>Director, Alsford Page & Gems Limited  | PPT<br>DOC |
| 7. The Art of Adjusting Catastrophe Claims<br>Robert Dalton<br>European Regional Director, Cunningham Lindsey<br>Kevin Scott<br>Director, Cunningham Lindsey    | PPT<br>DOC |
| 8. Controlling Piracy Risk Problems - the Role of International Community,<br>Government and Ship owners<br>V.A.Tommy<br>Director, Sun Reinsurnace Brokers LLC. | PPT<br>DOC |
| 9. China Insurance Market<br>Alan Zhang Yong<br>Managing Director, Founding Partner, Continental Insurance Brokers Ltd  | PPT<br>DOC |
| 10. New Trends in the Reinsurance Market<br>Judith Perkins<br>Solicitor, Elborne Mitchelle  | PPT<br>DOC |
| 11. Alternative Reinsurance Product<br>Aigeldinger Jacques<br>Executive Vice President, HAAKON LTD.   | PPT<br>DOC |



평양국제보험토론회  
PYONGYANG INTERNATIONAL  
INSURANCE SEMINAR  
12th - 14th June 2012



In Pyongyang, the capital of DPR Korea, the Pyongyang International Insurance Seminar on "The Dynamics of Insurance Coverage Arrangement and Rate Application Responding to Recent Catastrophes and Disasters" was held from 12nd to 14th June 2012 under the co-auspices of Federation of Afro-Asian Insurers & Reinsurers (FAIR) and Korea National Insurance Corporation (KNIC).

This seminar is in accordance with the decision of FAIR 22nd General Meeting.

Present at the Seminar are a lot of delegates from home and abroad, including the delegates of FAIR member and non-member companies, delegates from insurance, reinsurance and broking companies of Asia, Africa and Europe, representatives of diplomatic corps, economic and trade missions, and the international organizations in DPR Korea and insurers of KNIC and other professionals of related bodies at home.

At the Seminar competent foreign and local figures and experienced underwriters presented valuable papers concerning the globally current issues like the catastrophes insurance business.

This forum was a good chance for all delegates and participants to share their knowledge and experiences acquired in healing the aftermath of global financial crisis and seeking solutions to the challenges of the nature disasters and to tighten business relationship with each other.

**Talk list**

**Talk list**

- |  |                     |
|--|---------------------|
| 1. Earthquake and relevant insurance in China<br>Henry Zhang, FAIRICC Survey & Loss Adjusting Co., China   | <a href="#">PDF</a> |
| 2. The Opportunities of Emerging Reinsurance Market<br>Dmitry Shaydulin, "Glinso-Insurance Brokers" Llc, Russia.   | <a href="#">PDF</a> |
| 3. Arbitration Clauses in International Arbitration Contracts<br>Tim Akeroyd, Elborne Mitchell LLP, UK   | <a href="#">PDF</a> |
| 4. The worldwide agricultural re/insurance market<br>Karl Josef Schneider, Novae Re, Switzerland   | <a href="#">PDF</a> |
| 5. General Principles Relating to the Conduct of Loss Surveys and Claim Adjustments<br>Following Catastrophic<br>Events from a Crop Insurance Perspective<br>Brent Alexander Demnar, Agri Business Consulting Group, Australia | <a href="#">PDF</a> |
| 6. Contingent Business Interruption Following Catastrophe<br>Robert Edward Dalton, Cunningham Lindsey International, UK  | <a href="#">PDF</a> |



## Financial Report

### Consolidated Income Statement for AY 2017

KPW m

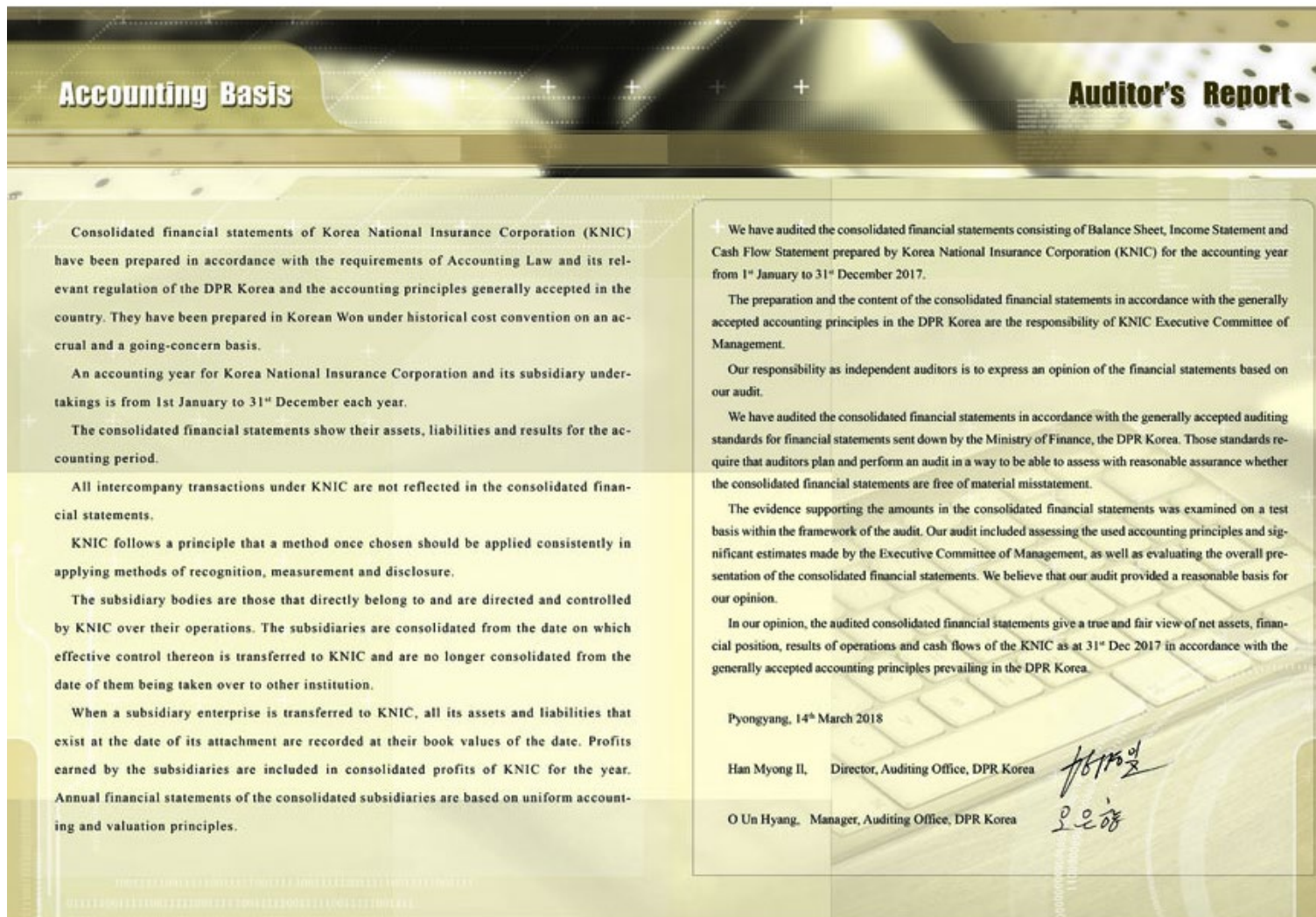
No	Item	2017	2016	2015
1	Net earned premiums	49 387.6	50 508.4	48 730.9
2	Investment result	4 173.4	4 669.3	4 465.3
3	Other income	91.4	92.6	93.2
	<b>Total Income (1+2+3)</b>	<b>53 652.4</b>	<b>55 270.2</b>	<b>53 289.4</b>
4	Net expenses for claims & benefits	33 605.0	33 393.0	32 483.6
5	Net operating expenses	7 631.2	8 008.7	7 810.7
6	Other expenses	1 823.7	1 720.5	1 290.9
	<b>Total expenses (4+5+6)</b>	<b>43 059.9</b>	<b>43 122.2</b>	<b>41 585.2</b>
7	Operating result before payment to state	10 592.5	12 148.1	11 704.2
8	Payment to state	3 442.6	3 948.1	3 803.9
9	Profit for the year	7 149.9	8 200.0	7 900.3

## Financial Report

### Consolidated Cash Flow Statement for AY 2017

KPW m

No	Item	2017	2016	2015
1	Operating activities			
-	Cash from operating activities	9 533.8	11 330.9	13 670.2
-	Payment to state	3 442.6	3 948.1	3 803.9
-	Net cash from operating activities	6 091.2	7 382.8	9 866.4
2	Investing activities			
-	Net cash from investing activities	-5 254.4	-7 302.1	-6 973.8
3	Increase/decrease in cash	836.8	80.7	2 892.6
4	Movement in cash			
-	At beginning of year	45 904.0	45 823.3	42 930.7
-	Net cash inflow/outflow	836.8	80.7	2 892.6
-	At end of year	46 740.8	45 904.0	45 823.3



From the News section, rather than “Revolutionary Anecdote” section below:

## Brilliant successes achieved in the course of creating the Mallima speed and the prospect of engineering insurance (part 1)

Recently according to the five-year strategy for the national economic development, a solid foundation is being laid for the sustainable development of the country's



economy as the Mallima speed (the speed of a legendary horse running ten thousand *ri* or 4 000km at one gallop) is created and individuals and units exemplary in creating the speed are being born one after another in the dynamic struggle for reenergizing the overall national economy and putting all the sectors of the national economy on a high level of Juche-oriented, modern, IT and scientific footing.

Upholding the banner of the spirit of self-reliance and self-development and science and technology, many factories and enterprises have introduced the integrated manufacturing system and automated control system, accomplishing the modernization of production and IT-based management. They have renovated their production lines with the latest technology and are realizing the integration of science and technology with production.



Introduction of integrated manufacturing system to greenhouse farming



Asepsis production lines at the Ryongaksan Soap Factory in Pyongyang

And all factories and enterprises are attaching primary importance to improving the skills and performance of their engineers and workers and are taking preventive measures for minimizing breakdown of machinery, not only leading to the remarkable decrease of loss ratio in our machinery breakdown insurance but also exerting a positive influence on our engineering insurance as a whole.

In addition, in accordance with the policy and thanks to the concern of the government that gives top priority to the key sectors such as the metallurgical and electric-power industries, an oxygen-blast furnace of our own style has been successfully built in the Kim Chaek Iron and Steel Complex and is under normal operation. And the thermal and hydro power stations across the country are maximizing the efficiency and capacity of their generators on the stable footing. The country is directing a great deal of efforts into building more hydropower stations.





Production of steel and iron by an oxygen-blast furnace at the Kim Chaek Iron and Steel Complex



Komyagang Power Station built in South Hamgyong Province to meet the local needs for electric power

All this demands that we further improve the quality and level of our engineering businesses such as risk management, etc.

To meet this demand, we will improve the underwriters' qualifications, achieve the professional risk management of the insured property on a high level, introduce new business categories and provide a quick and accurate response to the loss occurrence for our clients' safe and stable business management and their normal production and construction on a high standard, thus contributing to the development of our national economy.

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# Motor Vehicle Insurance Keeping Up With the Growth in the National Automotive Industry

Under the wise leadership of the respected Supreme Leader **Kim Jong Un**, a great stride has been made in the development of our country's automotive industry.

On his visit to a certain factory in November, Juche106(2017), the Supreme Leader said that a fresh turning point should be brought about in boosting the country's automotive industry to the international standard's, adding; Let us all pool our efforts to renovate the factory. While giving on-the-spot guidance at the Kumsong Tractor Factory, he called its employees to bring about another revolution in positively propelling the development of the country's automotive industry, and took measures aimed at upgrading the tractor factory. And on visit to the Sungni Motor Complex, he set forth important tasks for renovating the complex as required by the new century, so that it could mass-produce modern trucks. In this way he opened a new chapter for the growth of the country's automotive industry.

When modernization of the automotive industry promoted and thus trucks, tractors and buses of various purposes and capacities needed urgently in many field we mass-produced, it will greatly accelerate economic construction and betterment of people's lives.

The Korea National Insurance Corporation will make proactive efforts to ensure that its motor insurance services keep pace with developing automotive vehicle industry.

The Corporation will launch a nationwide advertising campaign for its motor vehicle insurance in various forms and by various methods, and at the same time diversify premium rate as per the kind and capacity of the subjects insured both on compulsory or voluntary basis, apply appropriate discount and depreciation loading in rate adjustment, taking into full account clean loss records and lifespan of the vehicles to be insured, and rely on drivers' licenses

issued by and regular technical checks made by public security organs, thus fully satisfying the terms and conditions stipulated in insurance contract.

Thanks to Corporation's visits and face-to-face contract negotiations made in person, and to its introduction of on-line insurance service system, the convenience of the Insureds will be fully provided and, furthermore, claims will be settled on the principles of fairness, promptness and scientific accuracy. By doing so, it will provide coverages in time against the personal accident and losses or damage of property sustained by the people and ensure regular production in various sectors of national economy.

KNIC will do its best to provide its customers with better environment for insurance coverage in line with the rapid growth in the national automotive industry in the future.

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## A Commemorative Meeting held in Celebration of 70th Anniversary of Founding of the KNIC

A commemorative meeting was held to mark the 70<sup>th</sup> anniversary of founding of the Korea National Insurance Corporation on July 23<sup>rd</sup>, Juche106(2017). Present at this meeting were more than 500 persons including the staff of the quarters of the Corporation, underwriters from its provincial, city and county branches, and other persons concerned.

The meeting started with the keynote address, delivered by Hong Myong Ryong, President of the Korea National Insurance Corporation, which was followed by speeches.

The president and speakers said that they were celebrating the 70<sup>th</sup> anniversary of founding of the Korea National Insurance Corporation in a meaningful way in a dynamic period when all the service personnel and people rallied closely to the Supreme Leader Comrade **Kim Jong Un** are rushing forward towards victory in building a powerful socialist country true to the ambitious blueprint unfolded at the Seventh Congress of the Workers' Party of Korea.

They mentioned full appreciation for the wise guidance of the Great Leader

Comrade **Kim Il Sung**, the Great Leader Comrade **Kim Jong Il** and the Supreme Leader Comrade **Kim Jong Un**, who advanced people-oriented and Juche-oriented ideas and theories on insurance in the early days and established a genuine people's insurance institute for the first time in the history of the country and saw to it that the work of insurance thoroughly contributed to the promoting people's well-being.

They reviewed the proud 70-year history of development of the Korea National Insurance Corporation. While bringing the people-oriented nature of socialist insurance into full play, the corporation with a wide network of its branches throughout the country has introduced a variety of insurance services on a large scale both for lives of the people and property of various sectors of the national economy and ensured timely and proper handling and settlement of claims arising out of flood, drought and other natural disasters and unexpected accidents. In this way, it has played an important role in stabilizing livelihood of the people and ensuring regular production and operation of enterprises.

The speakers noted that the unjustifiable sanctions imposed by the United States and its vassal forces on our insurance sector which is directly linked with humanitarianism are despicable acts aimed at preventing our national insurance from playing its proper role in promoting people's well-being.

However, these sanctions are doomed to failure and the national insurance industry will continue to develop despite the sanctions, they confirmed with confidence.

They stressed that all insurance officials should make an active contribution to regular production and operation of enterprises and stability and improvement of people's livelihood. To this end, they, true to the principles and people-oriented nature of our insurance, should organize in full and in a more diversified way life insurance covering the lives of the people and the property insurance in all fields of the national economy and enhance the role of insurance for prevention and compensation to help institutes, enterprises, cooperative organs and individuals pay deep attention to risk management and handle and settle claims in a timely and proper fashion.

They emphasized the need for the corporation to constantly streamline its business operation on an IT and modern basis in line with the requirements of the IT era in order to enhance the functions and roles of insurance in economic development and improve people's standard of living.

They stressed that all insurance officials should cherish their noble sense of



duty they have assumed for the people and fully discharge their tasks in the current general onward march to create the Mallima speed with ardent patriotism, thereby contributing to the development of the national economy and to the promotion of the people's welfare.

Commemorative meeting was followed by a training course for insurance officials.

The training course dealt with such practical issues arising in improving insurance services of the corporation, as introducing various insurance classes on a larger scale both for lives and property of the people and enterprises in various sectors of the national economy in accordance as required by the people-oriented nature of our insurance, so as to make sure that the insured pay deep attention to risk management, enhancing the role of insurance for preventing loss and damage, and ensuring timely and proper handling and settlement of claims arising out of flood, drought and other natural disasters and unexpected accidents so as to improve its functions ensuring in the stability of the livelihood for the people and regular production and operation of the enterprises.

The attendants reaffirmed that they would conduct insurance business more dynamically as required by the principles and people-oriented nature of insurance.

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## Aquaculture Insurance newly introduced in the DPR Korea

According to a far-reaching plan of supreme leader **Kim Jong Un** to supply the people with fresh fish all the year round, many fish and seafood breeding farms have been built in many places across the country suitable for raising them, keeping production going on a high level and the production activities were put on scientific, intensive and modern bases meeting increased demand of the people and following the worldwide trend of developments.

In our country, breeding farms in freshwater and inshore zones have raised various kinds of fishes and seafood appropriate for their specific situation considering the recent development trends, thus increasing their production much greater than in previous years.



In freshwater farms, they give priority to both fishpond farming method and naturally-breeding method equally, raising mainly native species such as rainbow trout, carp and goldfish, as well as catfish, eel, loach and so on which are tasty and good for health. They also produce fishes in net-cages installed at suitable places in rivers and reservoirs including Taedong and Potong rivers.



In seawater farms, taking advantage of the distinctive character of our country being surrounded by the sea on three sides, they breed seaweeds such as Dasima and Miyok and seed fishes of crustaceans such as crabs and prawns, and mollusks such as sea urchin, sea cucumber, scallop, ear, shall and short neck clam, having introduced techniques of indoor and outdoor fishpond farming, deep sea farming and so on.





All fish farms in our country have thoroughly established the system of sanitary and anti-epidemic measures to prevent the epizootic diseases by vaccinating on a regular basis and thus have much decreased the occurrence of diseases.



Considering fishing industry being emphasized to be one of the key industries in the 21<sup>st</sup> Century, Korea National Insurance Corporation (KNIC) is planning to provide insurance for the farms that will help the industry to develop on a normal basis overcoming recent adverse weather conditions.





As far as the Aquaculture Insurance, the subject matter covers all fishes and seafood raising both in freshwater and seawater, and risks covered are flood, storm, landslide, fire, lightning, explosion, drought, earthquake, hurricane, hail, windstorm (15m/s), frost, hail, electrocution, disease and pollution following the standard terms of the international market.

KNIC will be carrying on risk survey of covered aquaculture farms on a regular basis in cooperation with international loss adjusters to further their safe development, while increasing the number of applicants by widely publicizing the aqua-insurance.

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Annual general meeting(AGM) of provincial KNIC branches  
held



AGM of provincial branch offices of Korea National Insurance Corporation was held in Sinuiju, North Pyongan province, starting from 22<sup>nd</sup> to 23<sup>rd</sup> of February Juche 106(2017).

A total of 40 representatives including officials concerned from head office, the heads and accountants from every provincial branches in the country attended meeting.

Prior to meeting, all attendants visited to have a look around renovated building of North Pyongan Province branch office and afterwards, insurance underwriting operations in every provincial branch offices last year were analysed and reviewed in AGM

Last year, several provincial branch offices including North Hamgyong, Nampo and South Hwanghae worked out proper enterprise and management strategies and actively introduced new lines of business, which, in turn, resulted into an increase in premium income and into prompt and adequate indemnification of incurred losses and this added an active contribution to the economic development and people's livelihood, all of which were highly appreciated.

Especially, every personnel serving in insurance circle, in response to party's call, turned out as one person in the restoration effort to indemnify the loss damages in northern areas in North Hamgyong Province at a proper time, thus fully displayed the function and role of the socialist insurance of our country and this was more particularly highlighted.

At meeting, some important issues for strengthening the foundation for sustainable development of the insurance business, upholding the militant slogan "Let us accelerate the victorious advance of socialism with the great spirit of self-reliance and self-development as the dynamice force" and the business orientation for current year in developing the insurance business on a higher level in keeping with the requirements of the time were set forth. At the same time, issues such as updating the existing application softwares which were currently used by provincial and county-level branch offices and further diversifying the comprehensive computer network system and data buildup within KNIC, were also discussed in order to put insurance business on modern and IT-based at a higher level by giving top priority to scientific technology.

Lectures for newly introduced lines were also given at the meeting.

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## "Golden Sea" and OUR MARINE INSURANCE

In recent years nationwide efforts to open up a new history of “Golden Sea” were channeled into the development of fishery in our country, which gave birth to a “SPECTACULAR SCENERY OF A GOOD CATCH OF FISH”, and this extraordinary view is invoking the public interest.

In a hearty response to the party’s call for substantial improvement in people’s livelihood, the fishery sector has brought about a great success in modernizing fishing vessels, their equipment and fishing implements and in ensuring their safe navigation.



Fishery enterprises across the country have been vigorously pushing ahead with their plans to update their every fishing vessel, which is a key to success in opening up a new history of “Golden Sea”, with the latest technologies.

As a result, a lot of fishing vessels have undergone a remarkable development and their levels of navigation and technical equipment have been much updated. Such consequences have given a good influence not only to the fishing output but also to the safe navigation of fishing vessels by preventing marine accidents in advance.

The fishing output of 2015 alone marked an unprecedented increase, breaking the best record ever whereas no major marine losses were reported.

It is thanks to the national campaign for putting production lines and business administrations on IT and scientific footing as required by the era of the knowledge-based economy that such the marine management systems as weather forecast system, navigation command system, labour protection & management system, facility-electricity supervision system and ship repair control system have been perfectly established on the basis of the latest science and technology.





Under the circumstances of an increase in sailing days and brisk fishing despite of severe winter conditions, the fishery enterprises are paying due attention to crew's enhancement of technical abilities and full knowledge of every regulation relevant to the safe navigation, to ensure that they can cope well with whatever unexpected situation.

Our marine insurance, which provides covers with many fishing vessels, has benefited substantially from every success achieved and strenuous effort directed by the fishery sector, in unfolding a new history of "Golden Sea", to effect qualitative and comprehensive improvement in the technical conditions of fishing vessels, in the management and supervision systems, in the skills and performance of crew and in strict abidance by rules and regulations relative to the safe navigation, so that they do exert positive influence on our underwriting records on the whole.

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## The Nationwide Forest Restoration Campaign and Its Benefit to Insurance Industry

In recent years, a large scale plan to restore all forests within 10 years is being implemented in our country.

Respected Marshal **Kim Jong Un**, supreme leader of the our party and people, has prioritized forest restoration as the policy of utmost urgency and aroused entire party, whole army and all the people to the forestation campaign, planting trees by himself with army soldiers. Consequently, a joint resolution of Central Committee of Workers' Party of Korea, National Defence Commission of DPR Korea and Supreme Headquarters of Korean People's Army was issued and powerful headquarters were organized to monitor and control nationwide campaign. A remarkable national investment was made to renew tree nurseries, a scheme of allocating forest sections with responsibilities was enforced and strict systems for monitoring and supervision of forests and fire-prevention was put in place.





It is expected that the insurance industry will benefit significantly from this nationwide forestation. Once the forests have been restored, they will lower the occurrence rate of natural disasters such as floods and landslides in rainy seasons and also reduce the damages to buildings, crops and civil engineering completed risks such as dams, bridges, roads and railways.





In consideration of the expected benefit from forestation, Korea National Insurance Corporation will actively contribute to the forest restoration campaign and, furthermore, to develop forest insurance products in cooperation with the Ministry of Land and Environment Protection and relevant agencies. The company is also planning to adjust insurance rates and rationalize terms and conditions of property insurance, civil engineering completed risks insurance, contractor's all risk insurance, crop insurance so as to consider forestation status more accurately in insurance and thus keep profitability of the business.

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## Annual conference of provincial KNIC branches held

The annual conference of provincial branches of Korea National Insurance Corporation was held in Wonsan, Kangwon Province, DPRK on February 24<sup>th</sup> and 25<sup>th</sup>, Juche105(2016). It was attended by 40 representatives including head-office officials concerned and branch managers from every province in the country.

Its agenda involved review of last year's insurance operations conducted by the provincial branches.

Full appreciation was expressed in the conference for the efforts of the branch offices including the ones in Pyongyang, North Hamgyong, South Pyongan and Jagang Provinces, all of which, last year, paid great contribution to the development of the national economy and the improvement of people's living standard by formulating effective operational policies and introducing every possible innovative insurance program leading to a rise in general premium income and to prompt and adequate indemnification of losses.

The participants discussed issues of further enhancing, this year, insurance activities of provincial KNIC branches upholding the slogan, saying "Serve the people!", issued by the WPK. Particular stress was laid on issues of revising the provisions and regulations in order to bring practical upgrade in services of every branch in every county and province in the country while placing great sentimental value on the patronage of the people.

Detailed discussion was held on measures to upgrade risk surveys and loss adjustments to a competence of higher levels.

Attention was also paid to plans for updating the existing applications software package for the

use of county-level KNIC branches and for upkeeping the comprehensive computer network within the corporation.

There followed some orientation, in the course of which instruction in recent adjustments to insurance financial system was given.

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## Insurance Bussiness in economic development zone

Korea National Insurance Corporation, founded in Juche 36(1947), is a recognized insurer with over 70 years of healthy performance, which majors on life and non-life coverage in the territory of the Democratic People's Republic of Korea.

KNIC not only covers domestic market but also provides life and property insurance for foreign investors operating in the designated economic development zones of the country.

Such insurance services, not limited to obligatory Fire Insurance, Gas Liability, Motor Vehicle Third Party Liability and Contractor's All Risk Liability, are offered in the form of various made-to-order products.

KNIC, while developing and introducing various insurance products to meet the increasing demands in the aforementioned zones and at the same time achieving steady improvement in modernization and utilization of IT, will promote the diversity of its coverage and ensure the promptness of the indemnification in line with the recent international insurance trends so as to further consolidate its position as a trusted and customer-friendly insurer to foreign clients.

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# Growth and Improvement of Fire Insurance Business amidst

## Fierce Flames for Creating the Korean Speed

Thanks to the wise leadership of the Respected Marshal Kim Jong Un, our motherland is seeing the rise of many monumental structures with magnificent figures amidst the fierce flames for creating the Korean Speed, which demonstrate the art of architecture efflorescing as the days go by. With the new heyday of construction unfolded, so many monumental edifices as Masikryong Ski Resort, People's Theatre, Mirim Riding Club, Yonphung Scientists Holiday Camp, Haedanghwa Service Complex, Terminal of Pyongyang International Airport, Breast Tumor Research Institute of Pyongyang Maternity Hospital, Okryu Children's Hospital, Ryugyong Dental Hospital, Pyongyang Baby Home, Pyongyang Orphanage and Pyongyang Rest Home have been recently built to contribute to the improvement of cultural and emotional life and public welfare of the people, and the Mansudae Street and Jangchon area have turned into another socialist paradises belonging to the Workers' Party era, in drastic contrast to their previous appearances.





All those structures which made their brilliant appearance as the eye-opening heyday of construction has ushered in, are the precious results brought about by the lofty politics of the Workers' Party of Korea centred on the popular masses, which regard the people as the most valuable and dignified beings.



Pursuant to requirements of the seething era, the Korea National Insurance Corporation is pushing ahead the work to arrange the fire insurance cover on the subjects being newly rebuilt or expanded, while requiring the insureds to pay continuous attention to the risk management including the improvement of fire alarming and firefighting facilities.

The Insurance Corporation also engages the services of internationally recognized surveyors together with the local indecent surveyors and accordingly on-site risk surveys for the new Insureds are regularly organized in order to get acquainted with risk management.

The Korea National Insurance Corporation shall continue to keep on principle to thoroughly underwrite the insurance business in more selective way and to expand and develop the fire insurance business on sound basis.

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## Annual conference of provincial KNIC branches held

The annual conference of provincial branches of Korea National Insurance Corporation was held in Pyongyang on February 25<sup>th</sup> and 26<sup>th</sup>.

It was attended by head-office officials concerned and branch managers, and accountants thereof, of different provinces.

Its agenda involved review of last year's insurance operations conducted by the provincial branches, and determination of their goals to be reached this year.

Great appreciation was shown in the conference for the branches including the ones in Pyongyang, North Hamgyong Province, Ryanggang and Jagang Provinces, all of which, last year, introduced new insurance products, like mobile phone insurance, into sale, and brought an increase in the number of the insureds and objects to result a rise in premium income, and made prompt indemnifications on a scientific basis thus contributing to the stabilization of operation, production of the insureds concerned and people's lives, as well.

Stress was laid on adoption and development of effective business strategies plus further improvement and intensification of insurance operation upholding the slogan reading "Let us all turn out in the general offensive to hasten final victory in the revolutionary spirit of Paektu!", thus enhancing the role of insurance in line with the development of national economy and improvement of the livelihood of the people as befitting the significance of the year marking the 70th founding anniversary of the Workers' Party of Korea.

Lectures were given on business practices involving accountancy and some insurance accounts during the conference.

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## Fruit Crop Insurance to be introduced in future

According to a far-reaching plan of Chairman **Kim Jong Il** and supreme leader **Kim Jong Un** to supply the people with fresh fruit in and out of season, Taedonggang Combined Fruit Farm had been built as the best integrated base for fruit production, keeping production going on a high level, and furthermore, Kosan Fruit Farm has been expanded as a large-scale fruit farm with the introduction of scientific, intensive and modernized methods into fruit production.





At present, the farms have boosted production by applying the densely planting method of dwarf fruit trees following the world-wide trend of fruit farming development and growing several kinds of fruit trees including high-grade apple, pear and peach as befits the specific conditions of our country.





They grow apple trees of Korean original varieties such as Hwangju, Pukchong and Unryul together with dwarf apple trees of more than a hundred of varieties including Granny Smith, Fuji and Golden Delicious, and meet their own demand for young saplings by growing them on their own.

However, there have frequently occurred abnormal weather phenomena due to El Nino in recent years, causing negative effects on agriculture and fruit farming in our country and its surrounding countries.

As far as fruit farming is so greatly influenced by the nature and terrain and weather conditions as agriculture, Korea National Insurance Corporation (KNIC) has intention of newly underwriting insurance contracts with fruit farms in our country so as to put production on a normal basis under the adverse weather conditions recently occurred. The subject matter insured under Fruit Crop Insurance shall be fruit and fruit trees cultivated by fruit farms in DPRK, and the covered risks are as follows;

- Yield Loss Coverage  
Drought, freezing, landslide, fire,
- Fruit Tree Loss Coverage  
Hail, drought, excessive moisture, extreme heat, fire,
- Quality Loss Coverage  
Hail, torrential rainfall and windstorm.

In 2013, KNIC conducted a risk survey on some fruit farms in our country in cooperation with international loss adjusters, and since then KNIC has underwritten insurance contracts with those farms.

KNIC, on the basis of practical experience gained at that pilot stage, shall cover against the risks mentioned above modernized and large-scale fruit farms including Taedonggang Combined Fruit Farm and Kosan Fruit Farm within a few years to come.

평양국제보험토론회  
PYONGYANG INTERNATIONAL  
INSURANCE SEMINAR  
*7th - 9th June 2010*



Themed as 《Marine Insurance & Reinsurance: the Challenges of the Time》, an international seminar took place in Pyongyang, the Capital of DPR Korea from 7th to 9th June 2010, under the co-auspices of Korea National Insurance Corporation (KNIC) and the Federation of Afro-Asian Insurers & Reinsurers (FAIR).

The seminar was held in accordance with the determination taken by the Federation of Afro-Asian Insurers & Reinsurers in its 21st Conference in Kuala Lumpur, Malaysia in October 2009.

Present at the Seminar were 111 delegates from home and abroad, including Mr. Ezzat Abdel-Bary, Secretary General of FAIR and those from 74 companies and institutions of 21 countries of Asia, Africa and Europe, representatives of diplomatic corps, economic and trade missions, and international organizations in DPR Korea, underwriters of KNIC and other persons concerned at home.

At the Seminar, prominent foreign and local underwriters and other personalities presented papers on the globally current insurance issues.

The forum provided a good platform to seek and share ways and means for the healing of the unstable insurance sector in the aftermath of global financial crisis.

[Talk list](#)



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평양국제보험토론회  
PYONGYANG INTERNATIONAL  
INSURANCE SEMINAR  
*12th - 14th June 2012*



In Pyongyang, the capital of DPR Korea, the Pyongyang International Insurance Seminar on "The Dynamics of Insurance Coverage Arrangement and Rate Application Responding to Recent Catastrophes and Disasters" was held from 12nd to 14th June 2012 under the co-auspices of Federation of Afro-Asian Insurers & Reinsurers (FAIR) and Korea National Insurance Corporation (KNIC).

This seminar is in accordance with the decision of FAIR 22nd General Meeting.

Present at the Seminar are a lot of delegates from home and abroad, including the delegates of FAIR member and non-member companies, delegates from insurance, reinsurance and broking companies of Asia, Africa and Europe, representatives of diplomatic corps, economic and trade missions, and the international organizations in DPR Korea and insurers of KNIC and other professionals of related bodies at home.

At the Seminar competent foreign and local figures and experienced underwriters presented valuable papers concerning the globally current issues like the catastrophes insurance business.

This forum was a good chance for all delegates and participants to share their knowledge and experiences acquired in healing the aftermath of global financial crisis and seeking solutions to the challenges of the nature disasters and to tighten business relationship with each other.

[Talk list](#)

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PHOTOS from homepage:



**People buy flowers at the wholesale store of Pyongyang Floricultural Research Institute**



**Wholesale store at Pyongyang Floricultural Research Institute sells various beautiful flowers to the people**





**Wholesale store at Pyongyang Floricultural Research Institute sells various beautiful flowers to the people**



**Greenhouse at Pyongyang Vegetable Research Institute**





**Greenhouse at Pyongyang Vegetable Research Institute**





**Pyongyang Vegetable Research Institute**



**Inside of Mirae Shop**



**Inside of Mirae Shop**





**Mirae Shop for scientists and technicians**



**Restaurant newly furnished in Mansugyo Meat and Fish Shop**





**Inside of Mansugyo Meat and Fish Shop**



**Inside of Mansugyo Meat and Fish Shop**





**Inside of Mansugyo Meat and Fish Shop**



**Mansugyo Meat and Fish Shop newly built on the bank of Pothong River**





**Youth and children enjoy themselves at the parks**



**Parks in Pyongyang**



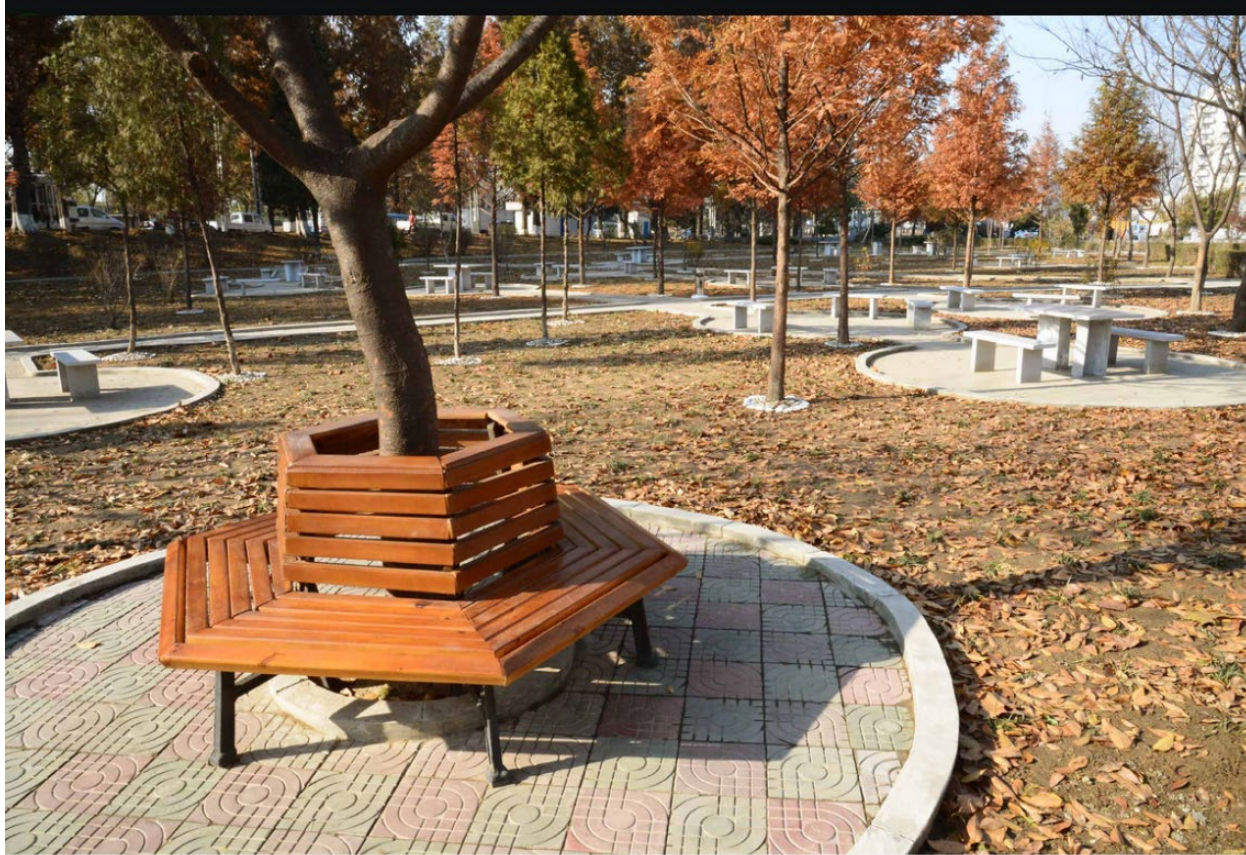


**Parks in Pyongyang**





**Parks in Pyongyang**



**Parks in Pyongyang**





**Parks in Pyongyang**





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**Parks in Pyongyang**



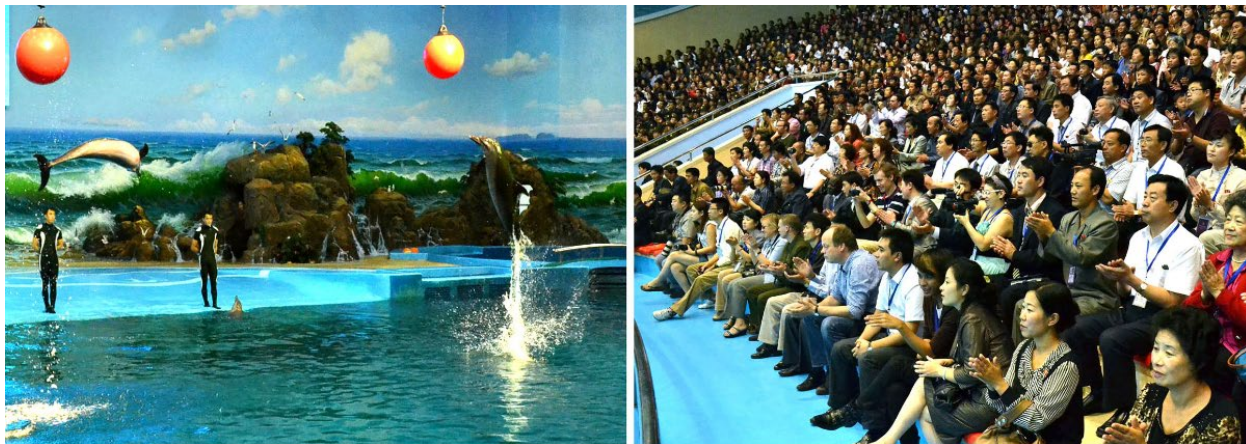


**Rungna People's Pleasure Park full of people's happiness**





**Working people acquire broad knowledge of sea at Rungna Dolphinarium**



**Rungna Dolphinarium situated at Rungna People's Pleasure Park**





**Working people enjoy themselves at Rungna Alpa Mare of the Rungna People's Pleasure Park**



**Working people enjoy themselves at Rungna Alpa Mare of the Rungna People's Pleasure Park**



**Rungna People's Pleasure Park situated on Rungna Islet**





**Part of Taesongsan Amusement Park**



**Part of Taesongsan Amusement Park**





**Part of Taesongsan Amusement Park**



**Part of Taesongsan Amusement Park**





**Part of Taesongsan Amusement Park**



**Part of Taesongsan Amusement Park**





**Part of Mangyongdae Amusement Park**



**Part of Mangyongdae Amusement Park**





**Part of Mangyongdae Amusement Park**



**Part of Roller Rink**





**Part of Roller Rink**



**Part of Roller Rink**





**Part of Roller Rink**



**Part of Roller Rink**



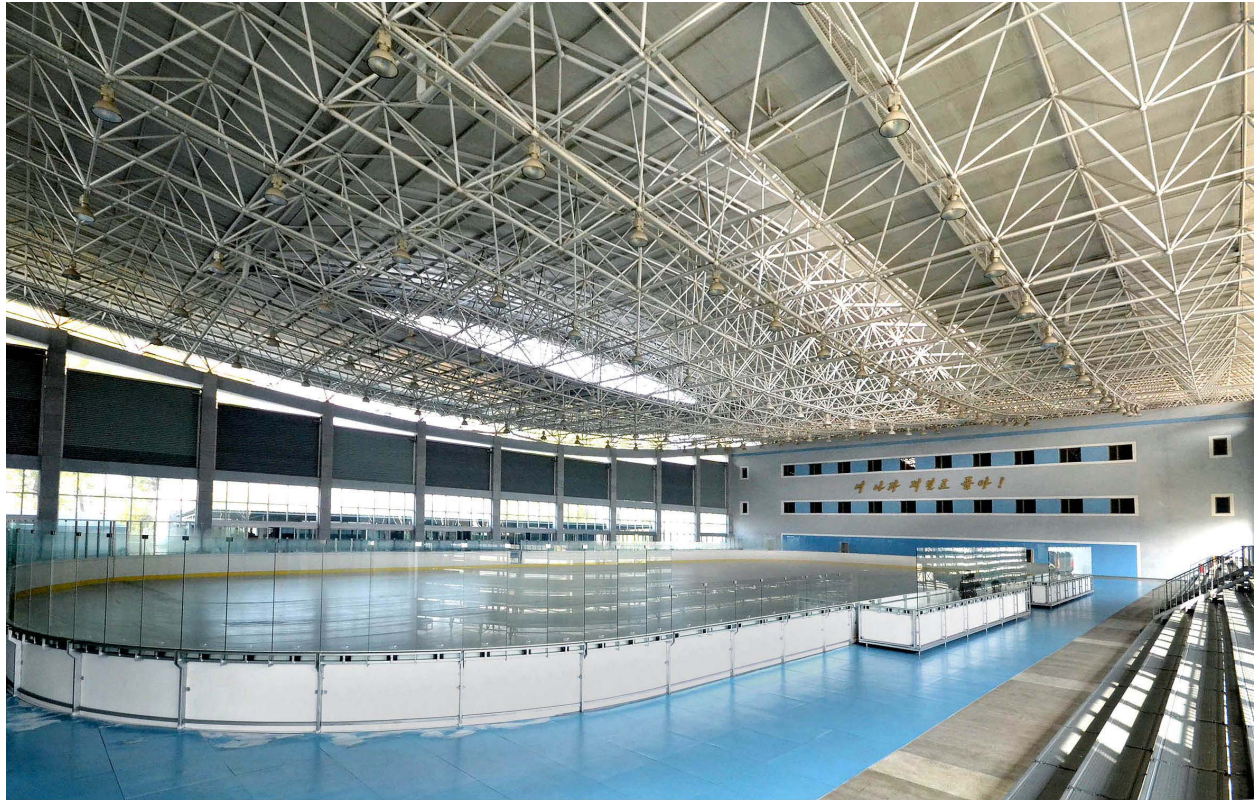


**Part of Roller Rink**



**Inside of People's Open-air Ice Rink**





## Inside of People's Open-air Ice Rink

*Beyond those on these pages, there are hundreds more photographs of the Ryugyong Health Complex, the Kangsong Health Complex, service centers, the Kyongsang Nursey in Pyongyang, Changjon Street apartments in Pyongyang, fruit production at the foot of Chol Pass, Central Zoo of the DPRK, Ryugyong General Ophthalmie Hospital, national costume, launch of an earth observation satellite by DPRK, a soft drink stand, and the Tongilgori Fitness Center.*